

REDACTED – FOR PUBLIC INSPECTION

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:

Applications of CHARTER COMMUNICATIONS,
INC., TIME WARNER CABLE INC., and
BRIGHT HOUSE NETWORKS, LLC for Consent To
Assign or Transfer Control of Licenses and
Authorizations

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WC Dkt. No. 16-197

**INDEPENDENT COMPLIANCE OFFICER'S REPORT ON CHARTER'S
INTERCONNECTION PARTIES AND DATA FILING FOR SECOND QUARTER 2017**

SEPTEMBER 8, 2017

Hon. Barbara S. Jones (Ret.)
BRACEWELL LLP
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INTRODUCTION

Pursuant to the Settlement-Free Interconnection Condition (the “Interconnection Condition”) set forth in Appendix B of the order (the “Merger Order”) issued on May 10, 2016 by the Federal Communications Commission (“FCC” or “Commission”) approving the merger of Charter Communications, Inc. (“Legacy Charter”), Time Warner Cable Inc. (“Legacy TWC”), and Advance/Newhouse Partnership (“Legacy Bright House”) (as a combined entity, “Charter” or the “Company”), the Independent Compliance Officer (“ICO”) hereby submits this report addressing Charter’s July 11, 2017 quarterly interconnection report (the “Q2 2017 Report”). *See* Mem. Op. & Order, MB Dkt. No. 15-149, FCC 16-59, May 10, 2016; App’x B § IX(3)(e).

EXECUTIVE SUMMARY

For the reasons set forth below, the ICO believes the Q2 2017 Report is in compliance with the terms of the Interconnection Condition.

OBSERVATIONS

On June 9, 2017, the ICO filed her report (the “Q1 2017 ICO Report”) on Charter’s April 11, 2017 quarterly interconnection report (the “Q1 2017 Report”). Since that time, Charter has generally maintained the system previously detailed for generating quarterly interconnection reports.¹ As part of her monitoring duties, the ICO again interviewed Charter personnel responsible for generating the quarterly reports, which has continued to increase the ICO’s understanding of how the reports are generated and the meaning of the data reported therein. The ICO’s observations and assessment of the Q2 2017 Report are set forth below.

¹ Per the request of the ICO, Charter agreed to adjust the output of the quarterly reports so that all future reports will list ports in the same order, a change which has no impact on the data itself.

I. Charter's Q2 2017 Report

The Q2 2017 Report includes all the information required by the Interconnection Condition. *See* App'x B § III(3)(a), (b), and (c). The counterparties corresponding to each Interconnect Exchange Point are listed on both the "Summary" and "Utilization" sheets of the Q2 2017 Report. "Aggregate link capacity between the Company and each Interconnection Party at that Interconnect Exchange Point" is listed next to the name of each Interconnection Party on the Summary sheet. The Summary sheet also provides the aggregate traffic exchanged in each direction (upstream and downstream), measured by the 95th percentile method. Finally, the Utilization sheet displays the percentage of time within the reporting period that each port was over 75% capacity in the dominant direction.

II. Overall Assessment of the Q2 2017 Report

A. Reliability of the Process

The ICO remains confident in the process used to generate the Q2 2017 Report. First, as set forth in the Q1 2017 ICO Report, the data and software program used to generate the Q2 2017 Report is the same data and software the Circuit Operations Group uses every day to monitor the Company's networks. The accuracy of such data is necessary for Charter to properly maintain and manage the health of its network. Second, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

[END HIGHLY CONFIDENTIAL INFORMATION]

1. Reporting Variances

In reviewing the Q2 2017 Report, the ICO observed certain variances, which generally fall into three categories. First, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

[END HIGHLY CONFIDENTIAL INFORMATION]

Lastly, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

**[END HIGHLY CONFIDENTIAL
INFORMATION]**

B. The Data

[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[END]

HIGHLY CONFIDENTIAL INFORMATION]

RECOMMENDATIONS

The ICO recommends that with each quarterly interconnection report, Charter submit a list of any anomalies or variances captured and corrected as part of its quality control process. While Charter is in compliance with the Interconnection Condition's requirements regarding formatting and content of the reports, there is no clear way to identify from the face of the report where anomalies have occurred and been corrected. The ICO is due to file a report on Charter's annual interconnection report in October 2017 and will include additional recommendations, if any, with respect to the Interconnection Condition in that report.